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TAGS: [ECON](#) [JA](#) [KN](#) [KS](#) [OVIP](#) [PREL](#)
SUBJECT: DG KANG ON ROK REACTION TO UNSCR 1695 NON-PAPER

REF: SECSTATE 136495

Classified By: POL Joseph Y. Yun. Reasons 1.4 (b/d).

¶1. (C) SUMMARY: In a September 11 meeting requested by the DG for International Affairs Kang Kyung-hwa, she conveyed the ROK's position on the reftel demarche paper on UNSCR ¶1695. DG Kang said that the ROK thought that UNSCR 1695 was an important resolution that they would faithfully implement. Still, as South Korea had neither regular trade, nor bank accounts with the North, the ROKG was of the view that the resolution had little or no practical implications for the ROK. She also noted that existing rules and regulations government trade and financial flows between the two Koreas were very strict and fully enforced. Kang also took the opportunity to raise several concerns about the U.S. non-paper, which the ROKG believed went beyond the UNSCR ¶1695. Kang opined that actions on bank accounts suspected of "indirectly" supporting North Korean WMD or missile programs went beyond the scope of the UNSCR 1695. Similarly, she also singled out our language on "mandatory" inspection of all North Korean ships as a maximalist interpretation of the resolution. END SUMMARY.

ROK RESPONSE TO U.S. NON-PAPER ON UNSCR 1695

¶2. (C) On September 11, MOFAT DG Kang Kyung-hwa asked to see POL M/C to convey the ROK's responses to Reftel demarche on U.S. views of UNSCR 1695. Kang said that the basic ROKG position was that it supported the resolution and would faithfully implement it in order to prevent transfer to North Korea of any products related to WMD and missiles. In light of the special nature of the relationship between the two Koreas, Kang said the ROK had "several suggestions" regarding the U.S. non-paper.

¶3. (C) Regarding control of goods and resources related to WMD, Kang said that the ROK was in a position of already enforcing the relevant measures. She noted that the ROK was a member of five international regimes on the control of these goods and resources; it was also a country with a strict export regime currently in place. All of these regulations were being applied to goods shipped or transiting the ROK.

¶4. (C) On the financial side, Kang said that freezing asset were possible under current laws and regulations, but that there was nothing in place to prohibit North Koreans from opening accounts in the South. She also emphasized that South Korean financial institutions were vigilantly enforcing

relevant international regulations and practices against North Korean missile and WMD financing; many of these were practices recommended by the U.S. Treasury's OFAC. For example, the thirteen entities designated under the E.O. 13822 were all disseminated to South Korean financial institutions.

¶15. (C) Regarding the prevention or transfer by sea or air of any materials related to WMD or missiles to North Korea, Kang said that North Korean vessels do not have the right of innocent passage currently in South Korean waters. Therefore, there was little chance the sea or air would be used for transfer of WMD or missile related materials. Moreover, according to the inter-Korea maritime agreement that went into place on August 1, 2005, it became possible to inspect DPRK ships.

¶16. (C) On dual-use, Kang said there were strict regulations on passage of dual-use materials to North Korea and all products are strictly vetted before being shipped to North Korea with any possible dual use.

ROK CONCERNS

¶17. (C) Kang said that as a general observation, the U.S. non-paper seemed to be taking a "maximalist" position on the UNSCR 1695. For example, she said that on paragraph four, page two regarding increased vigilance on financial activity that could indirectly support WMD or missile development, Kang said that the phrase "indirect" support could be widely expanded and went beyond the mandate of the Resolution. Similarly, the ROK believed that "mandatory and in-depth inspections" without reasonable cause went beyond the UNSCR ¶1695.

¶18. (C) Kang closed the meeting by observing that the ROKG was prepared to adopt new rules and regulations consistent with the UNSCR 1695.
VERSHBOW